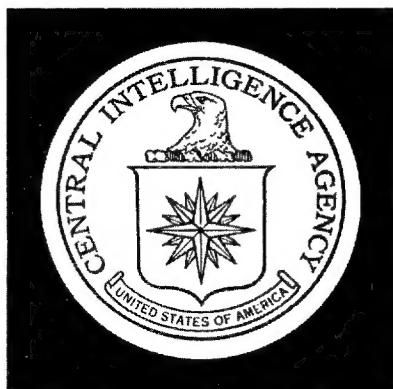


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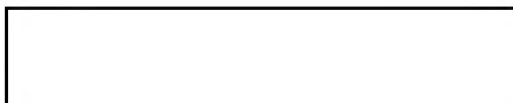
DIRECTORATE OF  
INTELLIGENCE

## MEMORANDUM

### *The Situation in Vietnam*

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HIGHLIGHTS

The Communists appear to be developing an new logistics base in the tri-border area of Laos, Cambodia, and South Vietnam.

I. The Military Situation in South Vietnam:  
Allied operations continued without significant contact over the weekend. (Para. 1).

II. Political Developments in South Vietnam:  
Another government-inspired demonstration against accommodation with the Viet Cong was held in Saigon on 4 March (Paras. 1-2). Government ministers dealing with economic affairs may soon be replaced (Para. 3).

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III. North Vietnamese Military Developments:  
Statistics on North Vietnamese infiltration into South Vietnam, Oct 1965 - February 1967 (Paras. 1-3).

IV. Other Communist Military Developments: There is nothing of significance to report.

V. Communist Political Developments: Communist propaganda continues to protest US "escalation of the war" (Paras. 1-2). Initial reaction to Kennedy speech on Vietnam (Paras. 3-5).

VI. Other Major Aspects: Communists may be constructing new logistics base in tri-border area (Paras. 1-2).

ANNEX:

The Situation in the Region Surrounding Saigon

The influx of allied military forces over the past year into the area surrounding Saigon--Viet Cong Region IV--appears to have cut into Communist capabilities.

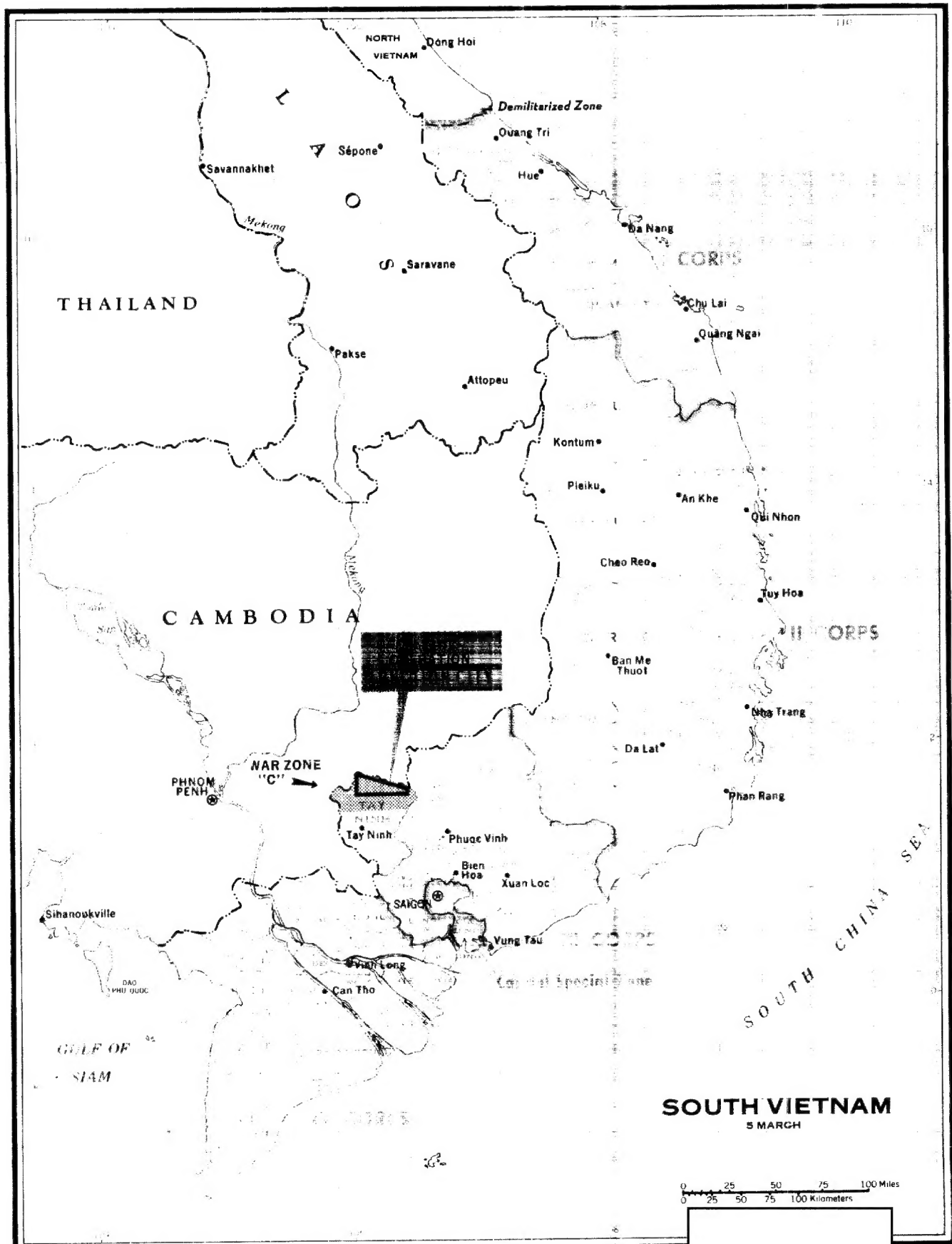
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By the Communists' own statement--in recently captured documents--morale is low, defections are increasing, security is poor, and popular support is waning. Although the Viet Cong are no longer likely to launch large-scale military operations in the area, they still retain the capability--and the will--to continue and probably to increase smaller scale terrorist and sabotage actions both in Saigon and on its outskirts.

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. All allied operations in South Vietnam continued without significant contact over the weekend. Six US battalions have now been withdrawn from Operation JUNCTION CITY in Tay Ninh Province. The original 23-battalion force has been engaged since 21 February in a major effort to clear the long-time Communist stronghold in War Zone "C." So far, 377 enemy troops and 93 Americans have been killed in the battle.

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## II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. Another in the series of government inspired demonstrations against peace negotiations leading to a coalition government was held on the morning of 4 March in Saigon. The government's minister of education reportedly organized a group of about 10,000 secondary school students who marched by the French Consulate. French property, however, was well guarded by Vietnamese police, and there was no violence. Press reports indicated that a demonstration with similar overtones was staged in Da Nang on 4 March, also under strict government supervision and control.

2. Creeping into the issues behind the demonstrations are the related questions of Vietnamese sovereignty and who will decide if and when peace negotiations are to be held. US Embassy officials reported that a seminar being organized by the minister for youth late on 4 March included the theme that "the US Government cannot negotiate alone with North Vietnam regarding peace for Vietnam." In addition, the Peoples-Army Council, an advisory group appointed by and responsive to the military government, is scheduled on 9 March to debate the question of Vietnamese sovereignty, especially regarding the subject of peace negotiations.

### Possible Personnel Changes in the Ministry of Economy and Finance

3. US Embassy officials have been told that National Bank Governor Hanh has agreed to head the super Ministry of Economy and Finance, which is responsible for supervising the ministries of commerce, finance, industry, and communications. A public announcement of the change, however, is to be withheld until replacements can be found for the current ministers of commerce and finance as well. US officials are inclined to believe that such changes are probably in the offing. They also feel that the appointment of Hanh, along with more forceful and effective commerce

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and finance ministers, would be a major step forward in solving the government's administrative problems in managing the economy.

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## INFILTRATION TOTALS SINCE 1 OCT. 1965

Based on MACV holdings as of 28 February 1967

		ACCEPTED			POSSIBLE	MONTHLY TOTALS
		CONFIRMED	PROBABLE	TOTAL		
1965	OCTOBER	6,000	—	6,000	700	6,700
	NOVEMBER	1,600	200	1,800	600	2,400
	DECEMBER	2,000	400	2,400	200	2,600
1966	JANUARY	3,500	1,800	5,300	2,400	7,700
	FEBRUARY	6,700	2,400	9,100	2,400	11,500
	MARCH	11,500	1,300	12,800	3,900	16,700
	APRIL	100	400	500	—	500
	MAY	400	2,900	3,300	3,500	6,800
	JUNE	10,500	600	11,100	1,300	12,400
	JULY	4,200	100	4,300	5,500	9,800
	AUGUST	1,600	400	2,000	3,300	5,300
	SEPTEMBER	1,400	—	1,400	600	2,000
	OCTOBER	100	500	600	4,600	5,200
	NOVEMBER	—	—	—	600	600
	DECEMBER	—	—	—	1,100	1,100
1967	JANUARY	—	—	—	700	700
	FEBRUARY	—	—	—	—	—
TOTALS		49,600	11,000	60,600	31,400	92,000

## MONTHLY AVERAGE ( 1 OCT. 1965 - 28 FEB. 1967 )

ACCEPTED: CONFIRMED AND PROBABLE 3,600

TOTAL ACCEPTED AND POSSIBLE 5,400

ACCEPTED INFILTRATION: Those NVA personnel, groups, and units which have entered South Vietnam and are carried in the confirmed or probable categories.

CONFIRMED: A confirmed infiltration unit/group is one which is accepted in South Vietnam on the basis of information provided by a minimum of two POWs or returnees (Hoi Chanh) from the unit/group, or two captured documents from the unit, or a combination of personnel and documents.

PROBABLE: A probable infiltration unit/group is one which is accepted in South Vietnam on the basis of information provided by one POW or returnee (Hoi Chanh) from the unit/group, or a captured document, supported by information from other sources which can be evaluated as probably true.

POSSIBLE INFILTRATION: A possible infiltration unit/group is one which may be in South Vietnam on the basis of information which can be evaluated as possibly true even though no POW, returnee (Hoi Chanh), or document is available to verify the reports.

NOTE: In addition to the infiltrators which fall into the above infiltration categories, other units or groups have been mentioned in agent reports, captured documents, interrogation reports and sightings by friendly forces, but the information is insufficient to warrant inclusion of these units or groups in any of the above categories.

MONTH OF INFILTRATION: The month established as the date an infiltration unit/group crosses the international border into South Vietnam for the first time.

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### III. NORTH VIETNAMESE MILITARY DEVELOPMENTS

1. The chart on the facing page sets forth statistics on North Vietnamese infiltration of SVN for the period 1 October 1965 through 28 February 1967. These data--supplied by MACV--will henceforth be reported on a monthly basis. The beginning date of 1 October 1965 is used since it coincides with a period of substantial increase in infiltration and provides a sufficient data base on which to base an average figure. Significant reports of infiltration which MACV disseminates between its monthly statistical accountings will continue to be reported as they become available.

2. It is recognized that there are valid arguments for the use of other data time frames in computing averages of monthly infiltration. For example, the average of the "Accepted" category for 1966 would be about 4,200 while the average of the "Accepted" and "Possible" categories would be slightly more than 6,600 men per month. If time frames other than that reflected by MACV are used, however, the information portrayed will be accompanied by specific references to the time frame used to preclude confusion.

3. It is important to remember that the computation of an average monthly infiltration figure based on past historical data cannot be validly used to project trends in infiltration, or to determine whether there has been any change in the pattern of infiltration. In short, current infiltration figures do not forecast enemy intentions. The nature of the enemy's infiltration of personnel is such that it is difficult to detect many groups of personnel until after they have been in South Vietnam for as long as six months. In some instances, it has taken even longer. Therefore, the figures currently developed for the period from about 1 August 1966 through the end of February 1967 are considered to be incomplete. Infiltration data are subject to continuing re-evaluation as additional information becomes available. Consequently, the data for recent months--as well as the computation of infiltration averages--are not adequate for determining trends. It should be emphasized that the data displayed for the months August 1966 through February 1967 represent the only valid statistical information available at this time.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. Vietnamese Communist propaganda this weekend focused on protesting the new US "escalation of the war" and underscoring Hanoi's determination to meet whatever military challenge the US brings to bear in Vietnam. This theme was developed in an editorial in the Hanoi party daily, in a formal central committee statement by the principal mass organization in North Vietnam--the Fatherland Front--in a South Vietnamese Liberation news commentary, and at a Liberation Front press conference in Peking. The Front commentary made a special effort to deny rumors of "secret talks" between US officials and Front representatives, and to discredit the sincerity of the US desire for a peaceful settlement.

2. The North Vietnamese commentary reiterated the necessity for the US to recognize the DRV four-point peace program and highlighted recent evidence of public US opposition to official US policy. The commentary cited Senate opposition to the supplementary military authorization bill for Vietnam as well as Senator Kennedy's 2 March speech as new evidence of widespread public opposition to the US policy of "widening the war."

3. To date, Communist propaganda has not given extensive coverage to Senator Kennedy's Vietnam speech. In addition to the passing references in the official party daily cited above, Hanoi's only other discussion of the Kennedy speech to date was a broadcast to South Vietnam. It quoted Western press speculation on the widening breach between the New York senator and the US President, and claimed that even the Western press see Senator Kennedy's speech as an example of the "continuous and severe criticism" which the US President faces on Vietnam from within his "own political faction."

4. Moscow, in its only commentary of note on the Kennedy speech, took a different tack. On 4 March,

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Izvestia quoted its correspondent in Washington to the effect that the senator's disagreement with US policy should not be exaggerated, that opposition in the US Senate is "irresolute and small," and that it does not influence the White House.

5. Initial Peking reaction has not yet been noted.

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VI. OTHER MAJOR ASPECTS

[redacted] indicates the development of a probable Communist logistic base in northeast Cambodia between the Se San River and the South Vietnamese border. [redacted]

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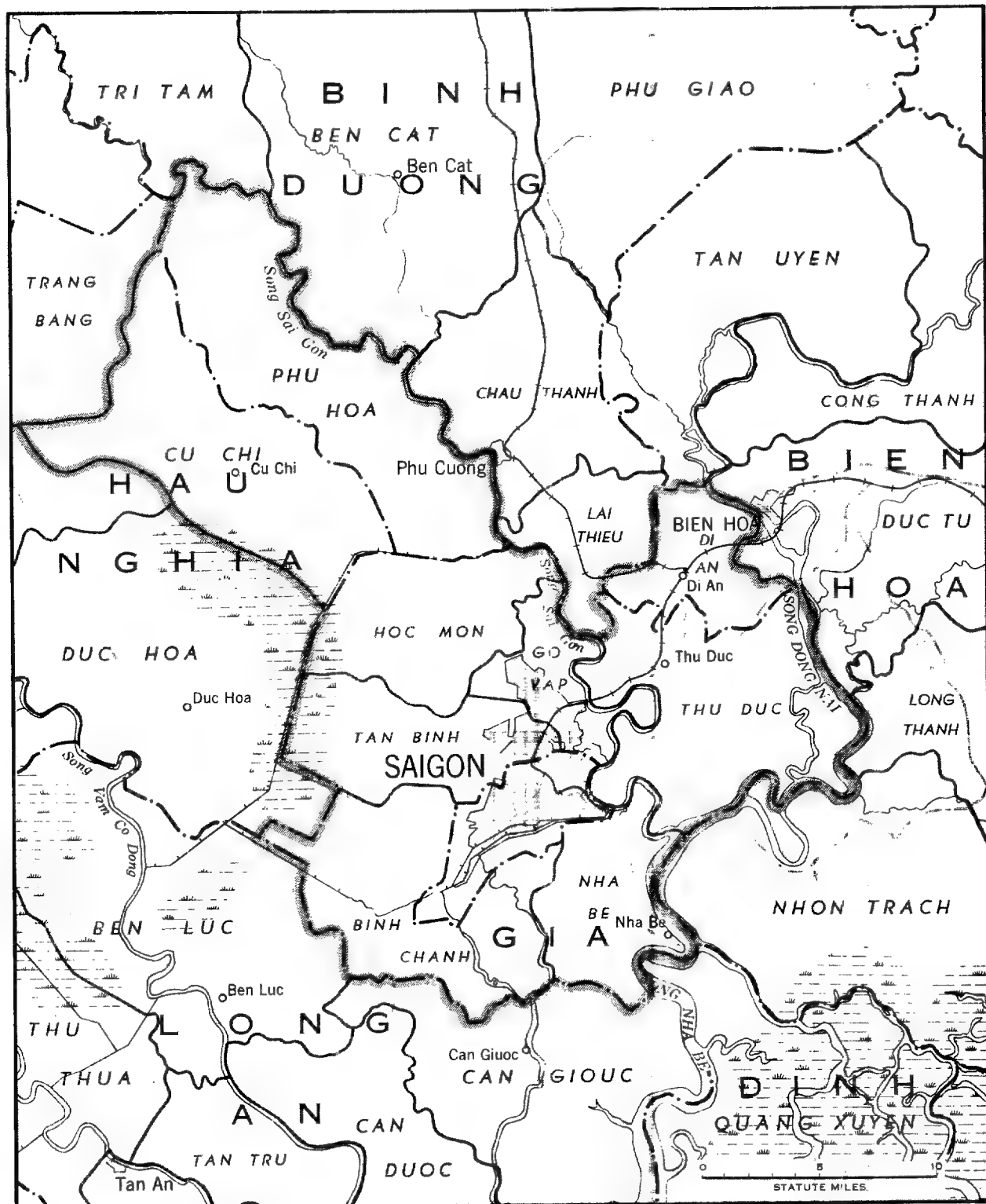
[redacted] three new encampments, including 12 buildings and 10 areas of row cropping agriculture, which have been developed on the north side of the Se San River. It also reveals a new road segment extending from Route 197 north about six miles to a probable transshipment point on the south bank of the Se San opposite the new encampments. The development of the apparent new logistics base has all occurred since [redacted] January 1967 [redacted]

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**VC Military Region (MR) 4 Boundary**

--- Province Boundary

— District Boundary

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ANNEXTHE SITUATION IN THE REGION SURROUNDING SAIGON

1. This area--Viet Cong Region IV--has long been a prime target for Viet Cong infiltration. In the past, Communist military units were able to move freely on the very doorstep of the capital city, and even today, the Viet Cong have 24-hour control of small areas within a few miles of Saigon. The stationing of additional allied troops in the area during the past year and the initiation of a realistic pacification program have, however, begun to weaken seriously the Communists' position.

Administration

2. In both the government and the Viet Cong organizational apparatus, the area surrounding Saigon is administered as a separate entity. The government's Capital Special Zone (CSZ), which includes all of Gia Dinh Province except Quang Xuyen and Can Gio Districts, had a status equal to the four corps areas until mid-1966, when responsibility for the CSZ was placed under III Corps. The Viet Cong's Saigon - Cholon - Gia Dinh Special Zone, or "Region IV," as it is now called by the Communists, roughly approximates the CSZ, but includes, in addition, Cu Chi District in Hau Nghia Province, Phu Hoa District in Binh Duong, and Di An District in Bien Hoa. Including the residents of Saigon, some 3.5 million people reside in Region IV.

3. Operation CEDAR FALLS, conducted between 7 and 26 January in southwestern Binh Duong Province, attempted to locate and destroy the Communist headquarters apparatus of Region IV. The operation ranged through such long-time Communist redoubts as the "Iron Triangle" and portions of the Ho Bo and Boi Loi Woods, both of which are strategically located along Viet Cong communications-liaison routes between Saigon and Communist War Zones "C" and "D."

Terrain Patterns

4. The terrain in the area surrounding Saigon generally favors small unit activity. The rice fields, which cover a major portion of the region, provide good concealment for smaller units except during the harvest in December and January. An area of marshland in Cu Chi and abandoned rubber plantations in Phu Hoa also help to conceal small units, and make vehicular movement and large unit deployment difficult. Both the Viet Cong and the allies make extensive use of the numerous waterways in the area and the large road network leading into Saigon, but allied elements using either of these are subject to Viet Cong harassment and interdiction. Even well-armed convoys travelling principal roads leading from Saigon--National Routes 1, 4 and 5A, and 13--are subject to ambush.

5. Ships travelling the principal shipping channel to Saigon, the Long Tau River, are vulnerable to attacks by Viet Cong units concealed along the river banks.

Pacification in the Region

6. The Hop Tac program for the pacification of the area surrounding Saigon, initiated in early 1964, was the government's first coordinated effort to clear the area of Communists. The project proved impracticable and over-ambitious, however, and new goals were set in the spring of 1966 when the area was made a National Priority Area in the newly established Revolutionary Development program.

7. The latest available Revolutionary Development figures (compiled before Operation CEDAR FALLS, which relocated some 6,100 people from Viet Cong-controlled areas of Binh Duong Province), placed the population secured by the government in the Gia Dinh - Hau Nghia - Binh Duong - Bien Hoa province complex at 74 percent, with only 9.7 percent under Viet Cong control. The government is working to bring the remaining 16.3 percent under control. Most of this secured population, however, lives in the Saigon-Cholon area and in Gia Dinh Province.

A-2

8. Bien Hoa Province, in addition, has always been one of the most pacified of the provinces around Saigon. The principal reason for this has been that the Viet Cong, for unknown reasons, placed Bien Hoa (where over 327,000 people reside) low on their list of priorities. Even though small-scale incidents in the province have increased in the last few years, the status of pacification has not been greatly affected. In fact, a recent Viet Cong document complained that the guerrilla warfare movement in Bien Hoa was bogging down and that too many young men were joining government forces.

9. Figures for Hau Nghia on the other hand showed only 19.5 percent of the population firmly under government control, with 46.2 percent under direct Viet Cong control (there are over 222,000 people in Hau Nghia); Binh Duong Province had 48 percent secured and 19.8 percent under Communist domination (some 232,000 people live in Binh Duong). The areas of greatest Communist concentration in these two provinces are Cu Chi and Phu Hoa districts, both administered by the Communists as one district, which they call Cu Chi. The Viet Cong regard this district as the most strategically important within Region IV.

#### Viet Cong Problems

10. Despite continuing Viet Cong influence in Cu Chi and Phu Hoa, allied military and psychological warfare operations during the past year have made it difficult for the Communists to expand or even to maintain the scope of their activities. Captured documents have revealed that allied pressure exerted on Cu Chi during 1966 forced the Viet Cong to move their Region IV headquarters from that district to Binh Duong Province and to disperse politico/administrative agencies and military forces previously concentrated in the Cu Chi area.

11. Other documents from Cu Chi, captured during Operation CEDAR FALLS, complain of low morale, increasing defections, recruitment difficulties, shortages of raw materials for weapons production, lack of preparation for combat, and inadequate follow-up on the establishment of village party

committees. The documents attribute most of these problems to the effects of allied military actions and Chieu Hoi activities.

12. Morale is apparently the principal problem in Cu Chi. Several documents note that Viet Cong cadre and troops alike feared combat, became "panic-stricken" during napalm attacks, and were "badly demoralized" by B-52 strikes. Morale in some cases was so low that troops refused to fight and cadre grumbled that "Cu Chi was lost." Both the low morale and the effectiveness of the Chieu Hoi program have caused increasing defections, which have, in turn, cut into Viet Cong military strength. One document complained that replacements could not be found to "fill ranks decimated by casualties and desertions"; another criticized village cadre for failing to comply with an order to recruit large numbers of women, "even those of 15 or 16 years of age."

13. Security is also a major problem for the Viet Cong in Cu Chi, as well as elsewhere in Region IV. According to several documents, cadre and troops are negligent in maintaining security and reveal unit locations and plans through careless conversations in public places. There were complaints that the allies have obtained good information from defectors--some of it "70 to 80 percent accurate"--or by capturing Viet Cong documents.

14. A number of documents suggest an increasing distrust of the loyalties of the local populace and an attempt to avoid friction between the Viet Cong and the local inhabitants. The documents complained variously that local inhabitants have attempted to "keep away from cadre and troops," that they have urged relatives working for the Viet Cong to come home, that political cadre have remained too aloof from the people, and that "unity between the army and the people" has been broken. A document from Nha Be District in Gia Dinh Province stated that 163 persons in two villages were successfully indoctrinated, but "the general impression is that most of the population is not eager to join in political struggles because they are afraid of losing their lands and jobs."

Viet Cong Political Strengths

15. No recent Viet Cong documents are available detailing the current strength of the Communist political apparatus in Region IV. A captured document dating from mid-1965 indicated, however, that, excluding low-level agents and informants, personnel assets controlled by the region's party committee totaled approximately 2,500, including party activists and sympathizers, apparently assigned to Saigon.\* There were, in addition, some 5,600 party and revolutionary Youth Group members scattered throughout the remainder of the region. Approximately 2,000 of these were subordinate to the Military Affairs Committee, however, and may therefore have been members of military units. The Communists' reported difficulties with recruitment, cadre morale, popular support, and arrests by government security forces strongly suggest that they were unable to effect any significant increase in their political personnel strengths during 1966 and may, indeed, have lost a number of cadre and sympathizers.

Viet Cong Military Strength in the Area

16. Documents and interrogations from Operation CEDAR FALLS revealed that the Communist maneuver and combat support units were recently reorganized within Region IV. In the summer of 1966, six battalions of the seven-battalion 165A Regiment were placed under the control of the Communists' six "inter-district (canh) committees," which are roughly equivalent to the nine government districts in Region IV. The battalions of the 165A have traditionally operated in company strength in the districts, and such a reorganization would seem to be a logical step to enhance control mechanisms over

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\* The MACV Order of Battle carries 1,065 political cadre in Gia Dinh Province. Although Gia Dinh is not equivalent to Viet Cong Region IV, it would probably contain the majority of such cadre. This MACV figure does not include sympathizers.

these units and to permit them effectively to conduct local military operations.\*

17. Additionally, the assignment of one or two "special action" teams and a squad or two of sappers to the "interdistricts" also took place in the summer of 1966, apparently in a further effort to increase lower level capabilities. The C-10 Sapper Battalion, however, which is responsible for demolitions operations, remains directly subordinate to Region IV and appears to direct much of the sabotage effort in the region. This unit is strongly oriented toward harassment of river traffic. Viet Cong district forces of from one to three platoons exist in the Viet Cong interdistricts of Cu Chi, Nha Be, Binh Tan, Go Mon, and Di An.

18. Region IV apparently attempted in July 1966 to organize another regiment of four battalions, Group A189. Two existing battalions were to be used as its base. In December 1966, however, the Viet Cong apparently decided that a large concentration of forces was dangerous in the face of the overwhelming allied strength in the area, and the regiment was deactivated. The two existing battalions were placed under the control of the region's Military Affairs Committee.

\* The headquarters of the 165A Regiment has been dropped from MACV Order of Battle holdings and six battalions have been switched from the main force to the local force category. The 1st Battalion remains in the main force category and is now carried as directly subordinate to Region IV headquarters. Viet Cong maneuver units now subordinate to the district military affairs committees are located as follows: the 2nd Battalion is in the Go Vap-Hoc Mon area; the 3rd is in Di An; the 4th in Thu Duc; the 5th in Nha Be; the 6th in the Binh Chanh-Tan Binh area; and the 7th in Cu Chi. The 1st is located in Cu Chi District and is apparently used as the region's reserve battalion.

19. Estimates of total enemy military strength in Region IV will probably be revised as prisoners and ralliers from Operation CEDAR FALLS continue to be exploited. Initial information derived from interrogations and documents suggests, however, that Viet Cong combat and service units subordinate to the region and interdistricts probably number at least 4,300.\* Viet Cong irregular forces (guerrillas, self defense, and secret self defense) number approximately 2,840.\*\* From accounts in the documents, individual and crew-served weapons in the possession of Viet Cong combat and service units (excluding some interdistrict units) and irregulars in Region IV total approximately 3,240.

#### Government Military and Security Forces

20. There are six government battalions permanently assigned to the Capital Special Zone, in addition to several units from the 13-battalion General Reserve (marine and airborne) which is normally based there. The permanently assigned battalions

\* This figure includes estimates of possible strengths of maneuver, combat support, and administrative service units. MACV J2 Order of Battle carries 2,785 as the strength of the seven Viet Cong battalions, five district units, and the C-10 Sapper Battalion.

\*\*This figure is taken from two Viet Cong documents captured during Operation CEDAR FALLS. Current MACV figures list 1,215 irregulars in Gia Dinh, 1,400 in Hau Nghia, and 1,660 in Binh Duong. They are not broken down by MACV under a district heading. Assuming that two-thirds of the irregulars listed by MACV in Hau Nghia are located in Cu Chi District, (since this is the area of the largest Communist concentration in the province) and that one-fifth of those in Binh Duong are in Phu Hoa District (since Phu Hoa covers approximately one-fifth of the province's area), the total number of irregulars in the Region IV area, as carried by MACV, would come to approximately 2,480.

have an authorized strength of 4,602 but an average present-for-duty strength of only 3,350. There is a possibility that up to 21 National Police Field Force companies may be assigned to augment other government forces in security and Revolutionary Development work in the CSZ. Presently, the Police Field Forces in Gia Dinh number three provincial companies, none of which are being employed according to the RD concept.

21. Police in both Gia Dinh and Saigon have performed well, but are operating under a number of handicaps. Their pay is inadequate, morale is reportedly low, and they have often incurred the wrath of the local populace because neighborhood checks necessarily result in the arrest of a number of innocent persons who simply do not have proper documentation. The police are also hampered by poor liaison and coordination with ARVN in carrying out their activities in the Saigon suburbs or in Gia Dinh Province.

22. In spite of their handicaps, the police have proved to be an important factor in keeping the Viet Cong off balance in Saigon and Gia Dinh. This is evident from complaints seen in captured Communist documents which reveal that the increased danger of police arrest is contributing to Viet Cong difficulties in recruiting sympathizers. Police resources-control checkpoints have been effective in decreasing the flow of Viet Cong materials into and out of Saigon, but it remains virtually impossible to stop this movement entirely.

#### Prospects

23. Since 1965, Viet Cong military activities in the Capital Special Zone have decreased in both magnitude and scope, primarily as the result of the activities of an overwhelming number of allied troops and security forces located within the area.

24. Within the past several months, allied forces have made significant headway against the enemy in the area surrounding Saigon. The CEDAR FALLS operation disrupted the communications activity of the Viet Cong Region IV committee, causing



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